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1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK

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3 UNITED STATES OF AMERICA,

4 v.

15 Cr. 706 (VSB)

5 FRANCIS LORENZO,

6 Defendant.

Sentencing

7 -----x

8 New York, N.Y.
9 November 8, 2019
11:30 a.m.

10 Before:

11 HON. VERNON S. BRODERICK,

12 District Judge

13
14 APPEARANCES

15 GEOFFREY S. BERMAN

16 United States Attorney for the
Southern District of New York

17 BY: DOUGLAS S. ZOLKIND

JANIS ECHENBERG

DANIEL C. RICHENTHAL

18 Assistant United States Attorneys

19 HIRSCHHORN & BIEBER, P.A.

Attorneys for Defendant

20 BY: BRIAN H. BIEBER, ESQ.

21 ALSO PRESENT: DAVID LAST

22 Assistant Chief, FCPA Unit

23 U.S. Department of Justice

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(Case called)

THE COURT: Okay. Is counsel ready to proceed?

MR. ZOLKIND: Yes, your Honor.

MR. BIEBER: Yes, your Honor.

THE COURT: All right. If counsel could please identify themselves for the record.

MR. ZOLKIND: Good morning, your Honor. For the government, Douglas Zolkind, Janis Echenberg, and Daniel Richenthal with the U.S. Attorney's Office, and David Last with the Department of Justice Fraud Section.

THE COURT: All right. Good morning.

GOVERNMENT COUNSEL: Good morning, your Honor.

MR. BIEBER: Good morning, your Honor. Brian Bieber on behalf of the defendant Francis Lorenzo, who is present to my left.

THE COURT: Okay. Good morning. You may be seated.

So this matter is on for sentencing.

So Mr. Lorenzo, if at any point in time you don't understand something I've said or if you have a question, just let me know and I'll stop the proceedings and either I or Mr. Bieber will try and answer your questions. Or if you want some additional time to speak to Mr. Bieber, just let me know and I'll stop the proceedings and I'll allow you to do that, okay?

THE DEFENDANT: Okay.

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1 THE COURT: All right. So as an initial matter, I'm
2 going to review for the parties the materials I've received in
3 connection with today's sentencing -- and I should say received
4 and read: the presentence investigation report, which was
5 initially prepared on January 25th of 2019 and revised on
6 October 29th of 2019; I've also received the defendant's
7 sentencing submission, which was filed on October 29th, which
8 includes various attachments, including various awards and
9 commendations that Mr. Lorenzo has received, as well as six
10 letters written in support of Mr. Lorenzo; I also have the
11 government's letter pursuant to 5K1.1.

12 First, have the parties received each of these
13 submissions?

14 MR. ZOLKIND: Yes, your Honor.

15 MR. BIEBER: Yes, your Honor.

16 THE COURT: All right. Now are there any other
17 submissions or documents that I should have in connection with
18 today's sentencing? From the government?

19 MR. ZOLKIND: Your Honor, we also --

20 THE COURT: Oh, yeah. Is it the order --

21 MR. ZOLKIND: The order of restitution and preliminary
22 order of forfeiture.

23 THE COURT: Okay. And I apologize. I do have both of
24 those documents, which appear to have been signed by the
25 parties, which I will address later in the proceedings.

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1 Mr. Bieber, is there anything else I should have from
2 the defense?

3 MR. BIEBER: No, Judge.

4 THE COURT: Okay. So there is a question I had with
5 regard to certain of the paragraphs in the presentence report,
6 and I'll leave it up to the parties (a) what the parties' view
7 of it is, and (b) if there appear to be errors or things that
8 are not relevant to Mr. Lorenzo, whether or not I need to make
9 note of that in any way. So specifically, the paragraphs 23,
10 42, 48, 54, 56, and 64, and as a general matter, they reference
11 specifically matters that -- so 23, where it says, "Defense
12 counsel contends that the February 2012 version of the UN
13 document was not sought or used by Ng," I think these are
14 remnants from Mr. Ng's PSR that have made it into Mr. Lorenzo's
15 PSR. There may be others. I think I caught most of them.
16 There may be other ones. They don't directly impact
17 Mr. Lorenzo, but I just -- and if you want more time to take a
18 look at those paragraphs, that's fine. The issue is whether I
19 need to in some way, you know, make note or strike those
20 portions. I don't know whether the government has a view one
21 way or the other.

22 MR. ZOLKIND: Your Honor, I mean, I'll certainly let
23 Mr. Bieber speak for himself, but our impression is that this
24 reference here in paragraph 23 to a different view of defense
25 counsel is in fact, as the Court suggested, a remnant of Ng Lap

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1 Sing's sentencing, and I imagine that's the case for the other
2 paragraphs as well. We apologize for not catching that.

3 THE COURT: No, that's fine. But Mr. Zolkind, do you
4 have a view as to what, if anything, we need to do, other than
5 recognizing that that's the case?

6 MR. ZOLKIND: I think if the Court states as a finding
7 or recognizes for the record that those references to defense
8 counsel's position refer to Ng's defense counsel, I think that
9 would suffice.

10 THE COURT: Well, let me hear from Mr. Bieber and then
11 I'll see what --

12 MR. BIEBER: Same position. Same apology for not
13 catching it.

14 THE COURT: All right. So I think what I will do is
15 I'll indicate in the judgment somewhere the specific paragraphs
16 I just mentioned, and saying that there are references to a
17 defense counsel contending and that the defense counsel
18 contending, making those assertions is not counsel for
19 Mr. Lorenzo but was counsel for Mr. Ng. I could do that or
20 merely just strike those portions.

21 MR. ZOLKIND: Your Honor, we'd be fine with striking
22 the references to contentions by defense counsel. In some ways
23 that's cleaner, since Ng's counsel's contentions don't have
24 anything to do with this proceeding.

25 THE COURT: Yeah. Okay.

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1 MR. ZOLKIND: So that may be cleaner, but I think
2 either way is fine.

3 THE COURT: Okay. Mr. Bieber, is that --

4 MR. BIEBER: Yeah, I agree.

5 THE COURT: All right. So then I'll take care of that
6 by striking those portions from the presentence report.

7 The only other thing was in paragraph 133, I think
8 there's just a typo. I think in the fourth full paragraph, it
9 says, "Flores and Lorenzo separated in," and it says 2019.
10 Should that be 2009?

11 MR. BIEBER: Yes.

12 THE COURT: Okay. So I can make that correction also.

13 Okay. All right. Mr. Bieber.

14 MR. BIEBER: The initial PSR had it at 2009.

15 THE COURT: Yes. And 2009 appears somewhere else, I
16 think.

17 MR. BIEBER: Yes.

18 THE COURT: So I'm not sure exactly what happened.
19 Oh, the initial one had it?

20 MR. BIEBER: Yeah.

21 THE COURT: Oh, that's -- okay. So Mr. Bieber, have
22 you read the presentence report and discussed it with
23 Mr. Lorenzo?

24 MR. BIEBER: Yes, Judge, in detail.

25 THE COURT: All right. And Mr. Lorenzo, have you read

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1 the presentence report?

2 THE DEFENDANT: Yes, your Honor.

3 THE COURT: And have you discussed it with Mr. Bieber?

4 THE DEFENDANT: Yes, your Honor.

5 THE COURT: And have you had an opportunity to go over
6 any errors or anything else with Mr. Bieber that you wish to
7 take up with me?

8 THE DEFENDANT: No.

9 THE COURT: Okay. Well, you had an opportunity to go
10 over any errors in the report.

11 THE DEFENDANT: Yes.

12 THE COURT: Okay. Let me ask Mr. Zolkind, are you
13 going to be dealing with --

14 MR. ZOLKIND: Yes, your Honor.

15 THE COURT: Okay. Mr. Zolkind, does the government
16 have any objections to the report?

17 MR. ZOLKIND: We don't.

18 THE COURT: All right. So the presentence report will
19 be made part of the record in this matter with the
20 modifications that we've discussed here today, and it will be
21 placed under seal. If an appeal is taken, counsel on the
22 appeal may have direct access to the sealed report without
23 further application to me or one of my colleagues.

24 So Mr. Lorenzo, the law requires that as part of
25 determining what an appropriate sentence is for you, that I

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1 refer to a set of rules known as the Sentencing Guidelines.
2 Now those guidelines are produced by the United States
3 Sentencing Commission, and they're produced to assist judges
4 like myself when we impose sentences. Now at a certain point
5 in time those guidelines used to be mandatory; in other words,
6 I would have had to apply them in just about every case.
7 However, they're no longer mandatory. However, I'm still
8 required to consider the applicable guidelines as one factor
9 among others in determining what an appropriate sentence is.
10 So in a sense the guidelines are a starting point.

11 So my first task is to do the guideline calculation.
12 So the guideline manual that's applicable here, do the parties
13 agree that it's the November 1, 2018 guidelines manual?
14 Mr. Zolkind?

15 MR. ZOLKIND: Yes, your Honor.

16 THE COURT: All right. Mr. Bieber.

17 MR. BIEBER: Yes, Judge.

18 THE COURT: Now Counts One through Eight are grouped
19 together because, pursuant to 3D1.2(d), since the offense level
20 is determined largely on the basis of the total value of the
21 funds that have been misused here, laundered, and pursuant to
22 3D1.3(b), since the counts involve offenses of the same type to
23 which different guidelines apply, the offense that produces the
24 highest offense level that's applied, and here it's the
25 guideline range for Counts Seven and Eight under 2S1.1, that

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1 results in the highest offense level. So the base offense
2 level is determined with reference to Section 2S1.1, which
3 applies to the money laundering charge. The offense level is
4 calculated using that guideline, and the most appropriate
5 guideline for the underlying offense is found in 2C1.1,
6 Mr. Lorenzo, and that results in a base offense level of 12.

7 Since the events involved more than one bribe, the
8 offense level is increased by two levels; since the bribes
9 totaled more than \$550,000 but not more than \$1.5 million,
10 there's an increase of 14 levels to the offense level; since
11 the offense involved an elected public official or any public
12 official in a high-level, decision-making, or sensitive
13 position, there's a four-level increase that is warranted; and
14 since there is a conviction under 18 United States Code 1956,
15 an additional two-level increase is warranted; for an adjusted
16 offense level of 34.

17 The offense level is then reduced by three levels for
18 Mr. Lorenzo's acceptance of responsibility, which results in an
19 offense level of 31.

20 And at an offense level of 31 and Mr. Lorenzo had a
21 criminal history category of I, the resulting guideline range
22 is 108 to 135 months' imprisonment.

23 Do the parties agree that that is the guideline range
24 that applies, 108 to 135 months' imprisonment?

25 MR. ZOLKIND: Yes, your Honor.

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1 MR. BIEBER: We do, Judge.

2 THE COURT: Okay. So based upon the parties'
3 agreement and my independent evaluation of the Sentencing
4 Guidelines, I'm going to accept the guideline calculation
5 that's contained in the presentence report. I find that
6 Mr. Lorenzo's offense level is 31, he has a criminal history
7 category of I, and therefore the recommended sentence under the
8 guidelines is 108 to 135 months' imprisonment.

9 The supervised release range of one to three years on
10 Counts One through Six and one year on Count -- that is not
11 correct. Sorry. So it's one to three years on Counts One,
12 Two, Six, and Count Eight, and it's one year on Count Seven.
13 And then there's a fine range of 15,000 to \$500,000.

14 Now there is a plea agreement in this case, and the
15 plea agreement provides that if Mr. Lorenzo provides the
16 government with substantial assistance, the government would
17 write a letter to me detailing Mr. Lorenzo's cooperation in
18 connection with this case pursuant to Section 5K1.1 of the
19 guidelines, and Section 3553(e) of Title 18. And I did receive
20 such a letter, which is the government's letter of
21 October 24th, which I don't remember if I mentioned that
22 earlier. Well, if I didn't mention it earlier, I received the
23 government's 5K letter.

24 MR. ZOLKIND: You did, your Honor.

25 THE COURT: Okay. And so let me ask, does the

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1 government have an application at this time?

2 MR. ZOLKIND: Yes, your Honor. And if I may make a
3 few remarks.

4 THE COURT: Sure. You can either do it now or --

5 MR. ZOLKIND: I'm happy to make those remarks at
6 whichever point the Court would like them.

7 THE COURT: Just wait for a little bit.

8 MR. ZOLKIND: That's entirely fine, your Honor.

9 Yes, the government does move, pursuant to
10 Section 5K1.1 of the guidelines, for the defendant to be
11 sentenced pursuant to the factors set forth based on that
12 section.

13 THE COURT: Okay. All right. Now I've reviewed the
14 government's 5K letter in light of the factors set forth in
15 Section 5K1.1(a)(1) through (5) that relate to the significance
16 and usefulness of Mr. Lorenzo's assistance, truthfulness, and
17 completeness and reliability of the information and testimony
18 provided; the nature and extent of the assistance; any injury
19 suffered or any other risk of danger or injury to the defendant
20 or his family resulting from the assistance; and the timeliness
21 of that assistance. And I'm going to discuss those factors
22 later in the sentencing, but having considered each of those
23 factors in my review of the government's letter, I find the
24 letter amply supports my granting the government's motion.

25 I've also independently considered whether there are

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1 any other appropriate bases for departure from the guideline
2 range here, and though I have the authority to depart, I do
3 find that there aren't any grounds warranting a departure.
4 However, I note that I do have the power to impose a variance,
5 and I think the defense submission is a combination of making a
6 request for variance and a departure pursuant to 5K1.1.

7 The government's letter indicates that obviously I
8 should utilize the 5K1.1 letter, but it doesn't recommend a
9 specific sentence.

10 The probation department indicates that a departure is
11 appropriate and recommends a sentence of time served.

12 So now, Mr. Zolkind, I'll hear from you with regard to
13 sentencing.

14 MR. ZOLKIND: Thank you, your Honor. And your Honor,
15 we will principally rely on the points we made in our 5K letter
16 of October 24th, but there are a few points that I'd like to
17 emphasize.

18 THE COURT: Yes.

19 MR. ZOLKIND: First, as the Court well knows,
20 Mr. Lorenzo was one of the individuals at the center of a
21 wide-ranging bribery scheme that stretched from Macau to the
22 United Nations in New York. He served as deputy ambassador to
23 the United Nations. It was a prestigious position, one that
24 carried a duty of trust and loyalty, both to his home country
25 of the Dominican Republic and to the UN as a global

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1 institution. For a one-year period he also served as a close
2 advisor to John Ashe, who was a fellow ambassador, and for that
3 year was serving as President of the UN General Assembly, or
4 PGA. Through his conduct in this case, Lorenzo compromised his
5 duties and responsibilities as an ambassador. And he did so
6 for one primary reason, personal profit. In exchange for bribe
7 payments from Ng Lap Sing, Lorenzo agreed to and he did take
8 official actions in his capacity as an ambassador, actions that
9 were intended to further Ng's goal of establishing a
10 UN-sanctioned convention center in Macau, which the idea was,
11 as the Court knows, to serve as the anchor of a much more
12 expansive real estate complex to be owned and developed by Ng's
13 company. Mr. Lorenzo also assisted Ng in bribing John Ashe,
14 the PGA, again for the purpose of Ashe taking official action
15 to help bring about Ng's goal.

16 Over the course of this approximately five-year
17 scheme, Lorenzo and Ashe made a significant amount of money.
18 For his part, Mr. Lorenzo was paid more than a million dollars
19 by Ng.

20 Now Lorenzo and his co-conspirators were arrested in
21 early October 2015, and at that time Mr. Lorenzo believed he
22 might have a meritorious motion based on diplomatic immunity.
23 He made that motion. But after the Court denied it in February
24 of 2016, Lorenzo was faced with an important decision. He
25 could continue to fight the charges, take it to trial, put the

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1 government to its burden, or he could accept responsibility for
2 his conduct and cooperate. And of course Lorenzo decided to
3 cooperate. And it's difficult I think to overstate the
4 significance of that decision that he made at that crucial
5 moment. Today, of course, we know that Ng Lap Sing was
6 convicted and the Second Circuit has upheld that conviction.
7 But at the time Lorenzo pled guilty and accepted
8 responsibility, he didn't know how the trial would play out.
9 But he recognized that his conduct was wrong and was criminal,
10 and he made the decision to take responsibility and move
11 forward with cooperation. In the government's assessment,
12 Lorenzo made that commitment, the commitment to cooperate, a
13 hundred percent.

14 There are of course cases, the Court is I'm sure
15 aware, where defendants may decide to cooperate but they still
16 minimize their own conduct, or they try to hide facts that they
17 think the government will never find out about, or they focus
18 more on protecting their own ego than taking responsibility.
19 As far as the government is aware, Lorenzo did not do any of
20 that. From the outset, he showed that he was completely
21 serious about owning up to his own misconduct and speaking
22 truthfully about everything the government asked him about,
23 everything the government wanted to know. And indeed, he pled
24 guilty not only to the crimes he was originally charged with
25 but also additional crimes, past offenses. Those crimes in

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1 particular were based on facts that the government did not know
2 entirely at the time that he started proffering. And even if
3 we might have uncovered those facts in the course of our
4 investigation, they would have been much harder to prove at
5 trial.

6 He also pled guilty a second time in advance of Ng's
7 trial in order to make sure that his cooperation agreement
8 covered all of his applicable crimes. And the second
9 cooperation agreement added FCPA offenses and offenses based on
10 Lorenzo's acceptance of bribes.

11 Lorenzo and the government met together literally for
12 hours at a time on dozens and dozens of occasions, in
13 particular as we were preparing for Ng's trial. Those meetings
14 were long; they were often tedious. We walked through hundreds
15 if not more emails and bank records and travel documents and
16 other materials, but there's no question that those meetings
17 provided the government with a substantially more robust
18 understanding of the criminal scheme in this case.

19 The government can also say that Mr. Lorenzo was a
20 consummate professional during the course of those meetings.
21 Even when we would meet on a Sunday afternoon, he would come
22 dressed in a full three-piece suit. He was always punctual, he
23 was always polite. Most importantly, your Honor, he was always
24 honest, even when we pressed him on facts and documents that
25 put him in a negative light. It was clear to us that

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1 Mr. Lorenzo felt embarrassed and ashamed for his conduct in
2 this case.

3 As a witness at trial, Mr. Lorenzo was unquestionably
4 a key part of the government's case. He testified over the
5 course of about eight trial days. It was more than half of the
6 government's entire case in chief. This was a case where the
7 emails themselves and other documents, but particularly the
8 emails, laid out virtually all the conduct. But Lorenzo's
9 testimony brought those emails to life and provided context and
10 a narrative that -- there's no question that it was useful for
11 the jury and important to the government's case.

12 Mr. Lorenzo also testified about a number of
13 conversations, including numerous meetings with Ng Lap Sing for
14 which Lorenzo was the only testifying witness. And that
15 testimony significantly bolstered the government's case.

16 No surprise that during trial, Ng's counsel
17 cross-examined Mr. Lorenzo for about five days and, in defense
18 counsel's summation, spent considerable energy trying to
19 discredit Lorenzo's testimony. But it couldn't be discredited
20 in any meaningful way because it was well corroborated by the
21 documents and because Mr. Lorenzo came across as a very
22 credible witness.

23 There was one occasion -- I think we refer to it in
24 our 5K letter, but it struck us as significant -- one occasion
25 during the trial where Mr. Lorenzo misunderstood a question

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1 that I think I had asked and gave an answer that wasn't
2 accurate, and it was not accurate in a way that was detrimental
3 to the defense. At the first break, he brought it to the
4 government's attention, and then as soon as he retook the
5 stand, he corrected the testimony. And that really stood out
6 to us.

7 So in sum, your Honor, the government submits that
8 Lorenzo's cooperation easily meets all of the factors under
9 Section 5K1.1 of the guidelines.

10 To go through quickly, he cooperated well before
11 trial -- in fact, before anyone else had pled guilty, and it
12 was only within days of his motion based on diplomatic immunity
13 being denied. That was clearly timely.

14 His cooperation was absolutely extensive, significant,
15 and useful, based on both his meetings with the government
16 before trial, his testimony during trial, and his continued
17 availability to meet with the government in regard to other
18 matters posttrial.

19 The testimony was truthful and complete and reliable.
20 It was extensively corroborated by other evidence.

21 And finally, his assistance, it's fair to say, brought
22 a tremendous spotlight, and at times a damaging spotlight, on
23 him and his family, and that's certainly a factor as well.

24 So for all those reasons and the reasons set forth in
25 our submission, we respectfully move pursuant to Section 5K1.1

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1 of the guidelines that he be sentenced under the factors of
2 that section in recognition of his substantial cooperation in
3 an important international corruption case.

4 THE COURT: Okay. Thank you.

5 Mr. Bieber, would you like to be heard?

6 MR. BIEBER: Yes, Judge. Thank you.

7 Judge, as set forth in our sentencing memorandum,
8 which of course I know you read, we're asking you to
9 collectively take the three grounds that we raised in our
10 motion into consideration in fashioning the appropriate
11 sentence. And those three grounds are, as the government just
12 outlined: Mr. Lorenzo's complete, thorough, honest and
13 substantial cooperation; Mr. Lorenzo's prior good works and
14 charitable-related conduct, basically his life leading up to
15 this; and lastly, his low risk of recidivism.

16 So in the interest of saving time, and it kind of
17 makes sense, I'll probably take them all together, because in
18 preparing for this, I realized that they're really like
19 inextricably intertwined, and I thought of that this morning,
20 that usually I'm arguing in a 404(b) context that it's not
21 inextricably intertwined, but rarely does the defense get to
22 say that.

23 But Judge, I think it's important for me to, as
24 briefly as I can, explain to you how Mr. Lorenzo got here, how
25 this 52-year-old man who was an ambassador to the United

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1 Nations, how he wound up in federal criminal court here, how he
2 wound up in federal criminal court testifying.

3 So Judge, as you know from the PSR, he was born in the
4 Dominican Republic. He grew up there, he went to high school
5 there, he graduated from high school there, attended some
6 college there, and his father, in 1980, moved here to make a
7 better life for his family, his wife and children. And from
8 1980 to 1985, his father was primarily in the United States
9 trying to do that, trying to create that classic American
10 dream. And Mr. Lorenzo did come here in 1985, and he attended
11 some college here as well, and in 1991, at the age of 24,
12 Mr. Lorenzo became a United States citizen.

13 So in the '90s, that decade, he worked in the travel
14 and tourism industry. Mostly obsolete now, travel agents, but
15 that's what he did. And he learned that industry, and that
16 kind of interested him, if you will.

17 And in 2000, the year 2000, is when his life changed
18 permanently. And his life changed because he received an
19 invitation to go to the United Nations. And there he was, at
20 the United Nations, at a dinner, and somehow, some way, he
21 wound up sitting at a table with Michael Douglas, the actor;
22 Muhammad Ali; and the Secretary General at the time, Kofi
23 Annan. And that was it. That was that defining moment for
24 him. His eyes were opened to the United Nations, to the
25 purpose of the United Nations, which is generally the global

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1 development of peace and unity and security, for the world.
2 And it kind of sounds corny, you know, a pie in the sky, a
3 dream, but that's what the United Nations is. That's what it
4 represents. That's what it's supposed to represent. It's
5 those principles. And that's what opened his eyes to it.

6 So from 2000 to 2004, without any monetary
7 compensation whatsoever, Mr. Lorenzo immersed himself in United
8 Nations activities. And it wasn't even until 2001 that the
9 Dominican Republic got a United Nations association, what's
10 called a UNA. So Mr. Lorenzo is participating in the Model UN,
11 which brings students in from public schools, private schools,
12 and they act as ambassadors and they learn the ways of the UN,
13 and he's participating in this, hands on, with the children.
14 And he's a standout, a standout amongst everyone in the
15 Dominican Republic mission, to the point where he actually gets
16 to meet the then-current President of the Dominican Republic,
17 President Fernández, gets to know him, and in 2004, President
18 Fernández appoints Francis Lorenzo to be an alternate, or also
19 known as a deputy ambassador to the United Nations. Now that's
20 2004. He's not doing this for the money because his salary was
21 a whopping \$6,000 a year -- and I say that sarcastically -- for
22 his duties as a deputy ambassador. And the ambassadors do it
23 for the love of what they do and for advancing this purpose
24 that doesn't exist in any other entity in -- not just the
25 United States, in the world. The United Nations.

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1 So there he is, 2004, he's a deputy ambassador to the
2 United Nations, and he's off and running. He participates in
3 an exchange student program, has students from the Dominican
4 Republic and the United States going back and forth. He really
5 immersed himself in the ambassador duties, because the duties
6 aren't set, and he went, just as the government said how he
7 showed up to the debriefings, even on weekends, in a suit.
8 It's not to impress. It wasn't to impress the government.
9 That's who he is.

10 He gets appointed the ambassadorship, and he's at the
11 UN every day, five days a week.

12 He was, in 2006, just two years into it, a founder of
13 the Montessori Model UN, which, through the Montessori school
14 system, I mean, he helped found it. So it had zero
15 participants. At the time Mr. Lorenzo was arrested in this
16 case, it had grown to 3,000 attendees at the United Nations in
17 Geneva, at the yearly convention. Now here we are at
18 sentencing, and it had, most recently, 4,000 attendees. So
19 what he created has lived on and has grown. And that's just
20 one example of one of the many things that he had done.

21 You read the commendations. We have family support
22 here and friends and -- and I know that you have the letters as
23 well.

24 But just to finish up what he was doing at the UN, in
25 2007, 2008, he's helping forge relationships between the

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1 private sector and the public sector to help develop rural
2 areas in the Dominican Republic.

3 And then getting to this, in 2010 is when he meets Ng
4 Lap Sing, South-South News is created, and the purpose of it
5 goes along with what was going on at the United Nations and
6 what Mr. Lorenzo's passion was, which was to promote
7 informative and positive news about Africa and developing
8 countries across the world. And I went there, and the
9 operation was a major -- I don't want to say CNN or Fox
10 knockoff, but it was for that purpose.

11 And unfortunately, Judge, you know the rest of the
12 story. You know because you had the 50-yard line seat to the
13 cooperation that the government outlined.

14 THE COURT: Was it 50? I wasn't sure what yard line
15 it would be.

16 MR. BIEBER: Judge, you know what, you're the judge,
17 you're up there, that's got to be 50. Oh, maybe the skybox? I
18 prefer the 50. Anyway, you had the front row seat. You had
19 the ability, obviously, to gauge his cooperation. And I'm not
20 a betting man, but I would bet that you are not surprised to
21 hear what the government had said about Mr. Lorenzo's
22 cooperation, how it was thorough, but the honesty with which he
23 cooperated. I will tell you, Judge, not once during the
24 preparation sessions did I have to be pulled out by any of the
25 prosecutors or the agents to say, you know, Mr. Bieber, he's

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1 hedging on this, he's trying to protect someone on this, you
2 might want to talk to him. Not once. And the hours were
3 extensive. Why? Because what he did with his life up until
4 2010 and how he went sideways during that time period, during
5 the indictment period, why did they not have to pull me out?
6 Because he treated his cooperation as seriously as he treated
7 how he lived his life and what he did at the UN before he made
8 that horrific and horrible decision to join in this conspiracy
9 and to do the criminal acts.

10 So yes, he accepted full responsibility for every
11 single thing he did wrong. And it was a major undertaking to
12 amend all of his tax returns, and he did. And I'm not saying
13 congratulate him for doing that; I'm just pointing out the
14 extent and the level of his cooperation on every single issue,
15 Judge.

16 So I just want to point out, your Honor, that it was
17 about a year and a week ago where you granted our application
18 to have the ankle bracelet removed from Mr. Lorenzo that he was
19 on for three years. He has not had one single violation in
20 that year and a week, nor has he in the three years since.
21 After spending I think it was 20 days in jail and then being
22 released on bail, not one single violation. And I point that
23 out because it shows -- I'm hoping it shows to your Honor that
24 he has the ability to live a law-abiding life, he has the
25 ability to continue to have his faith play a major role in his

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1 life. And the reason why I say that is, with the ankle
2 bracelet, every single day when he would come into New York to
3 get out of bed, to try to get out of that head and that
4 depression and that cloud of what was going on, it was even
5 before the indictment period, but every single day, he went to
6 church, and on the weekends, in the church by his home. That's
7 the kind of person he is. And still to this day.

8 So your Honor, our sentencing recommendation will
9 permit you to permit him to continue to reside in the Bronx
10 with his 80-year-old mother, who he helps take care of. Lives
11 with his sister as well. It will avoid unwarranted sentencing
12 disparity. It will satisfy the 3553 factors to promote respect
13 for the law, provide deterrence, general and specific; and it
14 will really permit this four-year dark cloud that's been
15 hanging over him, self-imposed, brought on by himself, and that
16 weight on his shoulders to be somewhat lifted, because he has a
17 long road back, a long journey back to whatever his path will
18 be, and a sentence of time served with an appropriate period of
19 supervised release and community service will set him on that
20 road.

21 Thank you, Judge.

22 THE COURT: Okay. Thank you, Mr. Bieber.

23 I take it from your comment with regard to the tax
24 issue, that the tax matters mentioned in the cooperation
25 agreement have been taken care of. In other words, refiling

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1 them, or I guess it was filing of amended returns and then the
2 issue of civil liabilities with the FBAR violations, as well as
3 the civil penalty issue.

4 MR. BIEBER: Yes, Judge. All returns have been filed,
5 and Mr. Lorenzo has an accountant who's dealing with the
6 penalties and collection issues and things of that nature.

7 THE COURT: Okay. All right. Thank you.

8 Mr. Lorenzo, would you like to be heard on your own
9 behalf?

10 THE DEFENDANT: Yes.

11 THE COURT: You can either stand or you can remain
12 seated, whatever is easier. I'd just ask you to speak into the
13 microphone.

14 All right.

15 MR. BIEBER: Your Honor, these are his prepared
16 remarks. I have never and never will write out for a client
17 what to say to the Court.

18 THE COURT: Okay. Go ahead, Mr. Lorenzo.

19 THE DEFENDANT: Thank you, your Honor.

20 Your Honor, the past four years have been the most
21 difficult time of my life. It has been difficult, painful,
22 shameful, and very scary. But the cause of all of this has
23 been because of my actions and my conduct that I have been
24 charged with eight counts that I have pleaded guilty to.

25 Your Honor, from 2011 to 2015, I agreed with other

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1 individuals to pay and help pay bribes and to conduct
2 transactions to violate the law of the United States. I
3 committed money laundering and filed false and fraudulent
4 individual tax returns, and I failed to file the reports of the
5 foreign bank accounts. But I stand here -- as I stand here
6 before you, your Honor, it's because I take full responsibility
7 for each act. I plead guilty, and I want to say how sorry I am
8 for my actions and misconduct and for the pain and suffering I
9 had caused to my family and my friends. My actions have
10 brought a shameful spotlight, which they have done nothing to
11 deserve. There is nothing that can explain the suffering that
12 I live -- that I live with on a daily basis, knowing the pain
13 and shame that my actions have brought to my family and
14 friends, and for the disrespect of the law of this great
15 country. I blame myself for the conduct which has brought me
16 here today. But out of all of this, I have learned that the
17 best things a human being has when he/she make a mistake is to
18 recognize it, accept it, correct it, apologize, and ask for
19 forgiveness.

20 My family has suffered, and I know it has been because
21 of my actions. Family is most important things in my life, and
22 I can assure you, my Honor, that I will obey the law, just as I
23 did before I made the foolish decision in this case, and in
24 every possible way I will contribute in a positive way to our
25 society, to continue and do what I love the most, to serve

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1 humanity. I did that for many years as an ambassador. I can
2 and I will do this again. I promise you that.

3 Because of my misconduct, I have lost my job, my
4 profession, and many friends. There have been days that I have
5 cried, and in my crying, I have asked god for forgiveness.
6 This is the reason I wake up every day in the morning and I go
7 to church, and I ask god for forgiveness. My strong faith to
8 god is what has kept me alive.

9 I want to apologize to the people of the United
10 States, of the Dominican Republic, the DOJ, prosecutor, law
11 enforcement, and to you, your Honor, for all the time you have
12 committed to this matter and the consideration that you are
13 giving to my future.

14 I want to thank my family, my friends, my attorney
15 Brian Bieber, and those who are with me. Just to finalize my
16 oath one more time, I just want to apologize and say how sorry
17 I am.

18 THE COURT: Okay. Thank you, Mr. Lorenzo.

19 Now is there any reason why sentence should not be
20 imposed at this time?

21 MR. ZOLKIND: No, your Honor.

22 THE COURT: Mr. Bieber?

23 MR. BIEBER: No, your Honor.

24 THE COURT: All right. As stated, and the parties
25 agree, Mr. Lorenzo's guidelines sentencing range is 108 to 135

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1 months' imprisonment.

2 Now under the Supreme Court's decision in *Booker* and
3 its progeny, as I mentioned earlier, the guideline is just one
4 factor that I must consider in deciding an appropriate
5 sentence. I'm also required to consider the other factors set
6 forth in 18 United States Code Section 3553(a), and I have done
7 so. The factors include but are not limited to the nature and
8 circumstances of the offense and the personal history and
9 characteristics of Mr. Lorenzo, and each defendant must be
10 considered individually as a person. I'm also required to
11 consider the need for the sentence imposed to reflect the
12 seriousness of the offense, promote respect for the law,
13 provide just punishment for the offense, and afford adequate
14 deterrence to criminal conduct and avoid unwarranted sentencing
15 disparities among other things.

16 So first I'm going to speak to Mr. Lorenzo's history
17 and characteristics. Now, Mr. Lorenzo, you advised the
18 probation department that you were raised by your parents
19 largely in Santo Domingo until about 1980, when your father
20 immigrated to the United States to seek better economic
21 opportunities. You and your siblings continued to be reared by
22 your mother in Santo Domingo, during which time your family did
23 experience certain financial difficulties resulting in your
24 father coming to the US, but your father continued to
25 contribute to the household in the Dominican Republic. So

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1 after your father immigrated, your mother stopped working and
2 relied on the assistance that your father was providing.
3 Eventually you moved to this country and eventually, based upon
4 your father being in this country, regularized your citizenship
5 and eventually became a citizen of the country, I think in the
6 1990s.

7 Many of the letters from your former colleagues and
8 friends have expressed that you have a good heart and that any
9 term of incarceration would have a serious adverse effect on
10 yourself and your family. Now I'm going to consider their
11 views, the views that were in the letters that were presented
12 to me, in construing what an appropriate sentence is for you.
13 However, I do note that those letters are of somewhat limited
14 weight. I'll give them somewhat limited weight because for the
15 most part they don't contain any details concerning the
16 specific acts to support the generalized comments contained in
17 the letters. I do note, though, that in your sentencing
18 submission and in the comments here today, that there are more
19 specifics that have been given concerning the good works that
20 you did before being involved in the conspiracy to which you've
21 pled guilty.

22 Now in addition to the letters, I also received, as I
23 mentioned, the commendations, certificates acknowledging your
24 work and dedication in various areas throughout your career.
25 Now as you mentioned in the submission, it's pointed out that

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1 these are evidence of your charitable good works and your
2 commitment to various issues, including in particular the
3 United Nations and some of the things that the United Nations
4 stands for. So I note that in 2000, you established the United
5 Nations Association in the Dominican Republic, which is an
6 organization that you created and, according to your sentencing
7 submission, was designed to promote the value of the principles
8 of the United Nations and highlight the importance of education
9 and technology as a tool towards sustainable development. So
10 I'm going to take those, the work that you did and the work you
11 did in getting to the position of being a representative from
12 the Dominican Republic in the United Nations, I'll take that
13 into consideration concerning what an appropriate sentence is
14 for you.

15 Next, however, I'll turn to the nature and
16 circumstances of the offense. Now there's no question, and
17 everybody acknowledges here, that you stand convicted of
18 extremely serious offenses. The activities were not isolated
19 incidents but instead were repeated and occurred over the
20 course of years. I also note that there was ample opportunity
21 for you during that time period to change your mind, to go in a
22 different direction, to decide, you know what, I'm not going to
23 continue with this. However, you know, the evidence at trial
24 showed not only did you not decide to do that -- in other
25 words, to walk away from the bribery scheme -- in fact, you

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1 became more involved in the bribery scheme, and by that I mean,
2 when Mr. Ng increased the pressure to move forward with regard
3 to the planning and getting the conference center on the UN's
4 radar screen, you know, he offered you additional money and you
5 offered to help in that way, and in that way also facilitated
6 the bribe, continued bribing of Ambassador Ashe and funneling
7 money to him in various ways, including through payments to
8 Ambassador Ashe's wife for work that was never done.

9 Now I will say that I don't agree with the
10 characterization in the sentencing submission that referred to
11 this as temporary lapses in judgment, because while yes, you
12 could view it as temporary lapses in judgment, it was over the
13 course of four years and it was a sustained lapse in judgment,
14 as the government pointed out and I think as you concede,
15 really for purely economic reasons -- in other words, to gain
16 money.

17 However, I do agree that your actions in this case
18 aren't and don't define you as a person; in other words,
19 they're not the sole actions of your life. So I'm not going to
20 review the conduct here in isolation. I'm going to obviously
21 review it in the context of the rest of your life, and as one
22 aspect of your life, an aspect which, based upon your comments
23 here today and the comments of your attorney, you've sought to
24 turn around, as well as the comments of the government.

25 Now the offense involved was extensive. It involved

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1 the use of shell companies, fake contracts, and the funneling
2 of money internationally, all of which made detection of the
3 scheme that much more difficult, as well as the deception that
4 in large part you sort of developed with regard to assigning
5 monies for purposes of avoiding paying taxes.

6 Now I don't think it can be understated the damage
7 that has been done to the United Nations as an institution, and
8 it's difficult to sort of gauge that certainly in any monetary
9 way. But the reputation of the UN, there's no question that it
10 was tarnished by your actions, the actions of Ambassador Ashe
11 and by Mr. Ng, among others, as well as the damage that has
12 been caused specifically to the diplomatic mission of the
13 Dominican Republic and to that nation itself.

14 You know, in addition, I'll note that much of the
15 recognition, or a lot of the recognition that you received in
16 the exhibits that were contained in the submission really
17 related to the work that you had started and were doing in
18 connection with the United Nations. And, you know, it's
19 unfortunate that you decided to take the path that you did,
20 because all of that work, you know, put you in a position where
21 you could actually participate in the bribe, but on the other
22 hand, it put you in a position where you could actually help
23 people not only in your country but in other parts of the
24 world. But by participating in the bribery scheme, you were
25 essentially rigging the system and depriving other members of

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1 the UN in considering the merits or the folly of having a
2 permanent conference center in Macau or really anywhere else in
3 the world.

4 Now in addition, although I recognize that the
5 likelihood of recidivism for someone of your age and
6 statistically as a general matter is low, and I'll take that
7 into consideration, there is the same fact that you committed
8 the instant offense after you had achieved a tremendous amount
9 in your life, and it's my hope that you continue to strive to
10 achieve your personal goals. But despite having achieved that
11 level of success, you basically put that in jeopardy, and in
12 fact, as indicated in the submission, you suffered the
13 unfortunate part of having to go through having your life
14 reviewed under the microscope. That happens when individuals
15 commit criminal conduct, and particularly in connection with
16 institutions like the United Nations and in the way that it was
17 done here.

18 Now I also understand that there is the issue of
19 general deterrence here, and I believe it's important to send a
20 message to individuals who might consider corrupting
21 institutions like the UN, whether from within or outside, to
22 achieve their personal goals or their own whims.

23 However, I believe that these considerations have to
24 be viewed in the light of your substantial cooperation in this
25 case. Now there's no question that your cooperation was useful

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1 and substantial. The information you provided was used, as I
2 understand it, in connection with grand jury presentations to
3 obtain indictments, and the fact is that your cooperation no
4 doubt played a role, at a minimum, in the decision of Jeff Yin
5 to plead guilty but also possibly in connection with some of
6 the other defendants to plead guilty.

7 Now according to the government, you were a model
8 cooperator -- and I think that's the exact term that they
9 used -- in that you met with the government dozens of times in
10 person, on the phone, and you were always willing to provide
11 assistance to the government and willing to give your time and,
12 as the government has indicated, you were always punctual,
13 patient, and careful with your words, which I think is, as the
14 government pointed out, the most important thing when it comes
15 to someone who decides to cooperate -- not only that they're
16 truthful but they're careful in what they say, and understand
17 that what they say has to be accurate but it also has to be
18 measured.

19 Now you testified for approximately eight days during
20 the trial. Much of that was on cross-examination, so I
21 witnessed firsthand, as Mr. Bieber said, your efforts to
22 provide truthful information to the jury. You maintained your
23 composure during extensive and probing and sustained
24 cross-examination, which is the nature of our judicial system.
25 But I also believe that without your testimony, and

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1 particularly your insight with regard to the emails and
2 documents that came in evidence, that the jury's deliberations
3 would have become much more challenging and difficult in a way;
4 in particular your testimony regarding establishing the intent
5 of the other individuals involved, since much of the defense
6 involved the argument that there was nothing nefarious going on
7 and that this was a legitimate project being pursued in
8 legitimate ways and that people were paid legitimate salaries
9 for legitimate work. So in particular, in light of that
10 defense, having someone who was, so to speak, on the inside, it
11 provided a perspective to the jury that was useful to them in
12 their deliberations.

13 So there's no question in my mind that your
14 cooperation was substantial and, as I mentioned earlier, that
15 the information that you provided to the government was useful,
16 timely, and I take the government at its word that you were a
17 model cooperator.

18 So I'm ready to impose sentence. Mr. Lorenzo, if you
19 could please rise for the imposition of sentence.

20 It is the judgment of this Court that you be committed
21 to the custody of the Bureau of Prisons for a period of time
22 served.

23 I'm going to impose a period of supervised release of
24 two years on Counts One through Six and Eight and one year on
25 Count Seven, to run concurrently.

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1 You may be seated.

2 Now you'll be subject to the mandatory conditions of
3 supervised release set forth on page 43 of your PSR, and the
4 standard and special conditions that are set forth on pages 43
5 through 45 of the PSR.

6 Now one of the special conditions -- and I agree with
7 the probation department -- is that you do 250 hours of
8 community service, as will be approved by your supervising
9 probation officer.

10 There will be no fine here.

11 You are required to pay a special assessment of \$100
12 on each count, for a total of \$800.

13 I will sign the restitution order, which requires a
14 payment of restitution in the amount of \$243,965. And so I'll
15 sign that restitution order now.

16 In addition, there is a consent preliminary order of
17 forfeiture. Well, let me ask, Mr. Lorenzo, am I correct, did
18 you sign this order of restitution earlier today?

19 THE DEFENDANT: That's correct.

20 THE COURT: Okay. I'm sorry. Actually, did you see
21 the order of restitution?

22 THE DEFENDANT: I did.

23 THE COURT: Okay. And you understand that it requires
24 a payment of \$243,965?

25 THE DEFENDANT: Yes, your Honor.

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1 THE COURT: Okay. And I misspoke when I said signed.
2 The order is only signed by me. However, with regard to the
3 Consent Order of Forfeiture/Money Judgment, Mr. Lorenzo, did
4 you sign that document earlier today?

5 THE DEFENDANT: Yes, your Honor.

6 THE COURT: Okay. And did you have an opportunity to
7 read it before you signed it?

8 THE DEFENDANT: Yes, your Honor.

9 THE COURT: And did you review it with Mr. Bieber?

10 THE DEFENDANT: Yes, your Honor.

11 THE COURT: Okay. All right. So I'm going to sign
12 the consent order of forfeiture also. And we'll take care of
13 getting those placed on the docket.

14 So I believe that this sentence is sufficient but not
15 greater than necessary to comply with the purposes set forth in
16 18 United States Code Section 3553(a).

17 Does either counsel know of any legal reason why this
18 sentence should not be imposed as stated?

19 MR. ZOLKIND: No, your Honor.

20 THE COURT: All right. Mr. Bieber.

21 MR. BIEBER: No, your Honor.

22 THE COURT: All right. So that's the sentence that
23 I'm imposing.

24 Now you know, Mr. Lorenzo, you have the right to
25 appeal your conviction and sentence. The notice of appeal must

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1 be filed within 14 days of the judgment of conviction. If
2 you're not able to pay the cost of an appeal, you may apply for
3 leave to appeal *in forma pauperis*. If you request, the clerk
4 of the court will prepare and file a notice of appeal on your
5 behalf.

6 Now, Mr. Lorenzo, obviously you stand convicted of
7 serious crimes, but you did what you needed to do to start
8 making amends for that. The only other thing you can do is
9 continue to lead a law-abiding life going forward, and I hope
10 that you do so. And I hope during the two years of supervised
11 release that I don't see you, because if I do see you, other
12 than maybe riding on the subway -- and I'm not saying whether I
13 ride on the subway or not, but I may. But I hope I don't see
14 you in connection with this case. So I wish you luck going
15 forward.

16 Now with regard to any open counts or underlying
17 indictments, I will dismiss those at this time.

18 Let me ask, is there anything else that we need to
19 deal with today? Mr. Zolkind?

20 MR. ZOLKIND: No, your Honor.

21 THE COURT: Mr. Bieber?

22 MR. BIEBER: No, your Honor.

23 THE COURT: Okay. Thank you very much for coming in.
24 We'll stand adjourned.

25 ALL COUNSEL: Thank you, your Honor.
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